STATE OF CONNECTICUT General Assembly

Senate

File No. 406

February Session, 2022

Substitute Senate Bill No. 4

Senate, April 11, 2022

The Committee on Transportation reported through SEN. HASKELL of the 26th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE CONNECTICUT CLEAN AIR ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Section 4a-67d of the 2022 supplement to the general
- 2 statutes is repealed and the following is substituted in lieu thereof
- 3 (Effective October 1, 2022):
- 4 (a) As used in this section, (1) "emergency vehicle" means a vehicle
- 5 used by the Department of Motor Vehicles, Department of Emergency
- Services and Public Protection, Department of Energy and 6
- 7 Environmental Protection, Department of Correction, Office of State
- 8 Capitol Police, Department of Mental Health and Addiction Services,
- 9 Department of Developmental Services, Department of Social Services,
- 10 Department of Children and Families, Department of Transportation,
- 11 Judicial Department, Board of Pardons and Paroles, Board of Regents
- 12 for Higher Education, The University of Connecticut or The University
- 13 of Connecticut Health Center for law enforcement or emergency
- 14 response purposes, (2) "hybrid" means a passenger car that draws
- 15 acceleration energy from two on-board sources of stored energy that

consists of either an internal combustion or heat engine which uses combustible fuel and a rechargeable energy storage system and, for any passenger car or light duty truck with a model year of 2004 or newer, that is certified to meet or exceed the California Air Resources Board's LEV (Low Emission Vehicle) II LEV Standard, (3) "zero-emission bus" means any urban bus certified by the executive officer of the California Air Resources Board to produce zero emissions of any criteria pollutant under all operational modes and conditions, (4) "battery electric vehicle" and "fuel cell electric vehicle" have the same meanings as provided in section 16-19eee, and (5) "camp trailer" has the same meaning as provided in section 14-1.

[(a)] (b) The fleet average for cars or light duty trucks purchased by the state shall: (1) On and after October 1, 2001, have a United States Environmental Protection Agency estimated highway gasoline mileage rating of at least thirty-five miles per gallon and on and after January 1, 2003, have a United States Environmental Protection Agency estimated highway gasoline mileage rating of at least forty miles per gallon, (2) comply with the requirements set forth in 10 CFR 490 concerning the percentage of alternative-fueled vehicles required in the state motor vehicle fleet, and (3) obtain the best achievable mileage per pound of carbon dioxide emitted in its class. The alternative-fueled vehicles purchased by the state to comply with said requirements shall be capable of operating on natural gas or electricity or any other system acceptable to the United States Department of Energy that operates on fuel that is available in the state.

[(b)] (c) Notwithstanding any other provisions of this section, (1) on and after January 1, 2008: (A) At least fifty per cent of all cars and light duty trucks purchased or leased by the state shall be alternative-fueled, hybrid electric or plug-in electric vehicles, (B) all alternative-fueled vehicles purchased or leased by the state shall be certified to the California Air Resources Board's Low Emission Vehicle II Ultra Low Emission Vehicle Standard, and (C) all gasoline-powered light duty and hybrid vehicles purchased or leased by the state shall, at a minimum, be certified to the California Air Resource Board's Low Emission Vehicle II

50 Ultra Low Emission Vehicle Standard, (2) on and after January 1, 2012, 51 one hundred per cent of such cars and light duty trucks shall be 52 alternative-fueled, hybrid electric or plug-in electric vehicles, [and] (3) 53 on and after January 1, [2030, at least fifty per cent of such cars and light 54 duty trucks shall be zero-emission vehicles 2026, at least fifty per cent 55 of such cars and light duty trucks shall be battery electric vehicles, (4) 56 on and after January 1, 2028, at least seventy-five per cent of such cars 57 and light duty trucks shall be battery electric vehicles, and (5) on and 58 after January 1, 2030, one hundred per cent of such cars and light duty 59 trucks shall be battery electric vehicles.

- [(c)] (d) (1) On and after January 1, 2030, at least thirty per cent of all buses purchased or leased by the state shall be zero-emission buses.
- 62 (2) On and after January 1, 2024, the state shall cease to procure, 63 purchase or lease any diesel-fueled transit bus.
- [(d)] (e) The provisions of subsections [(a)] (b) to [(c)] (d), inclusive, of this section shall not apply to any (1) emergency vehicle, (2) sport utility vehicle, (3) bus or van that transports individuals in wheelchairs, (4) specialty upfitted motor vehicle, or (5) camp trailer.
- 68 [(e) As used in this section, (1) "emergency vehicle" means a vehicle 69 used by the Department of Motor Vehicles, Department of Emergency 70 Services and Public Protection, Department of Energy and 71 Environmental Protection, Department of Correction, Office of State 72 Capitol Police, Department of Mental Health and Addiction Services, 73 Department of Developmental Services, Department of Social Services, 74 Department of Children and Families, Department of Transportation, 75 Judicial Department, Board of Pardons and Paroles, Board of Regents 76 for Higher Education, The University of Connecticut or The University 77 of Connecticut Health Center for law enforcement or emergency 78 response purposes, (2) "hybrid" means a passenger car that draws 79 acceleration energy from two on-board sources of stored energy that 80 consists of either an internal combustion or heat engine which uses 81 combustible fuel and a rechargeable energy storage system, and, for any 82 passenger car or light duty truck with a model year of 2004 or newer,

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that is certified to meet or exceed the California Air Resources Board's LEV (Low Emission Vehicle) II LEV Standard, (3) "zero-emission vehicle" means a battery electric vehicle, hybrid electric vehicle, range-extended electric vehicle and any vehicle that is certified by the executive officer of the California Air Resources Board to produce zero emissions of any criteria pollutant under all operational modes and conditions, and (4) "zero-emission bus" means any urban bus certified by the executive officer of the California Air Resources Board to produce zero emissions of any criteria pollutant under all operational modes and conditions.]

- (f) In performing the requirements of this section, the Commissioners of Administrative Services, Energy and Environmental Protection and Transportation shall, whenever possible, consider the use of and impact on Connecticut-based companies.
- (g) The Commissioner of Administrative Services, in consultation with the Commissioner of Transportation, shall (1) study the feasibility of creating a competitive bid process for the aggregate procurement of [zero-emission] light, medium and heavy duty battery electric vehicles, fuel cell electric vehicles and zero-emission buses, [and] (2) determine whether such aggregate procurement would achieve a cost savings on the purchase of such vehicles and buses and related administrative costs, (3) develop a plan to implement zero-emission buses state wide, and (4) identify any barriers to such implementation. On or before January 1, [2020] 2024, the Commissioner of Administrative Services shall [report] submit, in accordance with the provisions of section 11-4a, [on] a report on the results of such study and a copy of the implementation plan to the joint standing committees of the General Assembly having cognizance of matters relating to government administration and transportation. The Commissioner Administrative Services may proceed with such aggregate procurement if the commissioner determines such aggregate procurement would achieve a cost savings.
 - (h) The Commissioner of Administrative Services shall consider the

lower costs associated with the maintenance of a battery electric vehicle

- when establishing the amount to lease such battery electric vehicle to
- another state agency.
- (i) Not later than January 1, 2026, and annually thereafter, if the fleet
- average for cars or light duty trucks purchased by the state does not
- meet the requirements of subsection (c) of this section, the commissioner
- shall submit, in accordance with the provisions of section 11-4a, a report
- 123 to the joint standing committees of the General Assembly having
- 124 cognizance of matters relating to government administration,
- transportation and the environment. Such report shall (1) explain why
- such requirements were not met, and (2) propose an alternative
- 127 schedule to meet such requirements after considering available
- appropriations and the market conditions for battery electric vehicles
- and the associated charging infrastructure for battery electric vehicles.
- 130 Sec. 2. (NEW) (Effective October 1, 2022) (a) As used in this section:
- 131 (1) "Association of unit owners", "limited common elements",
- "common elements", "board of directors", "condominium instruments",
- "unit" and "unit owner" have the same meanings as provided in section
- 134 47-68a of the general statutes;
- 135 (2) "Electric vehicle charging station" has the same meaning as
- provided in section 16-19f of the general statutes; and
- 137 (3) "Reasonable restrictions" means a restriction that does not
- significantly increase the cost of the electric vehicle charging station or
- significantly decrease its efficiency or specified performance.
- (b) On and after October 1, 2022, any provision of the condominium
- 141 instruments that either prohibits or unreasonably restricts the
- installation or use of an electric vehicle charging station in a unit parking
- space or limited common element parking space, or is otherwise in
- 144 conflict with the provisions of this section, shall be void and
- 145 unenforceable.
- 146 (c) An electric vehicle charging station installed pursuant to this

section shall meet all applicable health and safety standards and requirements under any state or federal law or municipal ordinance.

- (d) A unit owner may submit an application to install an electric vehicle charging station to the board of directors. The board of directors shall acknowledge, in writing, the receipt of any such application not later than thirty days after such receipt, and process such application in the same manner as an application for an addition, alteration or improvement pursuant to the declaration, as described in section 47-70 of the general statutes. The approval or denial of such application shall be in writing and shall be issued not later than sixty days after the date of receipt of such application. If an application is not denied in writing within such sixty-day period, the application shall be deemed approved, unless the board of directors reasonably requests additional information not later than sixty days from the date of receipt of such application.
- (e) If a unit owner seeks to install an electric vehicle charging station, the following provisions shall apply:
- (1) The unit owner shall obtain approval from the board of directors to install the electric vehicle charging station and the board of directors may approve the installation if the owner agrees in writing to: (A) Comply with the provisions of the declaration regarding an addition, alteration or improvement; (B) engage a licensed and insured contractor to install the electric vehicle charging station; (C) if the proposed electric vehicle charging station is located in a unit parking space, provide a certificate of insurance, within fourteen days of approval, that names the association of unit owners as a named additional insured under the owner's insurance policy; (D) pay for the costs associated with the installation of the electric vehicle charging station, including, but not limited to, increased master policy premiums, attorney's fees incurred by the association of unit owners, engineering fees, professional fees, permit fees and applicable zoning compliance costs; and (E) connect the electricity to the unit's individual meter or install a separate meter to identify and pay the electricity usage costs associated with the electric

vehicle charging station.

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- 181 (2) The unit owner, and each successive owner, of the electric vehicle 182 charging station shall be responsible for: (A) The costs for damage to the 183 electric vehicle charging station, common elements or units resulting 184 from the installation, use, maintenance, repair, removal or replacement 185 of the electric vehicle charging station; (B) the costs for the maintenance, 186 repair and replacement of the electric vehicle charging station until it 187 has been removed; (C) the costs for the restoration of the physical space 188 where the electric vehicle charging station was installed after it is 189 removed; (D) the costs of electricity associated with the electric vehicle 190 charging station; (E) the common expenses as a result of uninsured 191 losses pursuant to any master insurance policy held by the association 192 of unit owners; and (F) making disclosures to prospective buyers (i) 193 regarding the existence of the electric vehicle charging station, (ii) 194 regarding the associated responsibilities of the unit owner under this 195 section, and (iii) of the requirement that the purchaser accepts the 196 electric vehicle charging station unless it is removed prior to the transfer 197 of the unit.
 - (3) A unit owner shall not be required to maintain a liability coverage policy for an existing National Electrical Manufacturers Association standard alternating current power plug.
- (f) An association of unit owners may install an electric vehicle charging station in the common elements for the use of all unit owners. For any such electric vehicle charging station, the association of unit owners shall develop appropriate rules for such use.
 - (g) An association of unit owners may create a new parking space where one did not previously exist to facilitate the installation of an electric vehicle charging station.
 - (h) An association of unit owners may require the unit owner to remove the electric vehicle charging station prior to the unit owner's sale of the property unless the purchaser of the property agrees to take ownership of the electric vehicle charging station.

(i) In any action by an association of unit owners seeking to enforce compliance with this section, the prevailing party shall be awarded reasonable attorney's fees.

- (j) The provisions of this section shall not apply to an association of unit owners that imposes reasonable restrictions on electric vehicle charging stations or has electric vehicle charging stations at a ratio that is equal to or greater than fifteen per cent of the number of units.
- Sec. 3. (NEW) (*Effective October 1, 2022*) (a) As used in this section:
- (1) "Association", "limited common element", "common elements",
 "executive board", "bylaws", "declaration", "rule", "unit", "unit owner"
 and "purchaser" have the same meanings as provided in section 47-202
 of the general statutes;
- (2) "Electric vehicle charging station" has the same meaning as provided in section 16-19f of the general statutes; and
 - (3) "Reasonable restrictions" means a restriction that does not significantly increase the cost of the electric vehicle charging station or significantly decrease its efficiency or specified performance.
 - (b) On and after October 1, 2022, any provision of the declaration or bylaws that either prohibits or unreasonably restricts the installation or use of an electric vehicle charging station in a unit parking space or limited common element parking space, or is otherwise in conflict with the provisions of this section, shall be void and unenforceable.
- 234 (c) An electric vehicle charging station installed pursuant to this 235 section shall meet all applicable health and safety standards and 236 requirements under any state or federal law or municipal ordinance.
 - (d) A unit owner may submit an application to install an electric vehicle charging station to the executive board. The executive board shall acknowledge, in writing, the receipt of any such application not later than thirty days after such receipt, and process such application in the same manner as an application for an addition, alteration or

improvement pursuant to the declaration or bylaws. The approval or denial of such application shall be in writing and shall be issued not later than sixty days after the date of receipt of such application. If an application is not denied in writing within such sixty-day period, the application shall be deemed approved, unless the executive board reasonably requests additional information not later than sixty days from the date of receipt of such application.

(e) If a unit owner seeks to install an electric vehicle charging station, the following provisions shall apply:

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- (1) The unit owner shall obtain approval from the executive board to install the electric vehicle charging station and the executive board may approve the installation if the owner agrees in writing to: (A) Comply with the provisions of the declaration or bylaws regarding an addition, alteration or improvement; (B) engage a licensed and insured contractor to install the electric vehicle charging station; (C) if the proposed electric vehicle charging station is located in a unit parking space, provide a certificate of insurance, within fourteen days of approval, that names the association as a named additional insured under the owner's insurance policy; (D) pay for the costs associated with the installation of the electric vehicle charging station, including, but not limited to, increased master policy premiums, attorney's fees incurred by the association, engineering fees, professional fees, permits and applicable zoning compliance; and (E) connect the electricity to the unit's individual meter or install a separate meter to identify and pay the electricity usage costs associated with the electric vehicle charging station.
- (2) The unit owner, and each successive owner, of the electric vehicle charging station shall be responsible for: (A) The costs for damage to the electric vehicle charging station, common elements or units resulting from the installation, use, maintenance, repair, removal or replacement of the electric vehicle charging station; (B) the costs for the maintenance, repair and replacement of the electric vehicle charging station until it has been removed; (C) the costs for the restoration of the physical space

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where the electric vehicle charging station was installed after it is removed; (D) the costs of electricity associated with the electric vehicle charging station; (E) the common expenses as a result of uninsured losses pursuant to any master insurance policy held by the association of unit owners; and (F) making disclosures to prospective buyers (i) regarding the existence of the electric vehicle charging station, (ii) regarding the associated responsibilities of the unit owner under this section, and (iii) of the requirement that the purchaser accepts the electric vehicle charging station unless it is removed prior to the transfer of the unit.

- 285 (3) A unit owner shall not be required to maintain a liability coverage 286 policy for an existing National Electrical Manufacturers Association 287 standard alternating current power plug.
 - (f) An association may install an electric vehicle charging station in the common elements for the use of all unit owners. For any such electric vehicle charging station, the association shall develop appropriate rules for such use.
- 292 (g) An association may create a new parking space where one did not 293 previously exist to facilitate the installation of an electric vehicle 294 charging station.
 - (h) An association may require the unit owner to remove the electric vehicle charging station prior to the unit owner's sale of the property unless the purchaser of the property agrees to take ownership of the electric vehicle charging station.
- 299 (i) In any action by an association seeking to enforce compliance with 300 this section, the prevailing party shall be awarded reasonable attorney's fees.
 - (j) The provisions of this section shall not apply to an association that imposes reasonable restrictions on electric vehicle charging stations or has electric vehicle charging stations at a ratio that is equal to or greater than fifteen per cent of the number of units.

Sec. 4. (NEW) (*Effective October 1, 2022*) (a) As used in this section (1) "dedicated parking space" means a parking space located within a lessee's separate interest or a parking spot that is in a common area, but subject to exclusive use rights of an individual lessee, including, but not limited to, a garage space, carport or parking space that is specifically designated for use by a particular lessee; (2) "electric vehicle charging station" has the same meaning as provided in section 16-19f of the general statutes; and (3) "dwelling unit", "landlord", "rent", "rental agreement" and "tenant" have the same meanings as provided in section 47a-1 of the general statutes.

- (b) For any rental agreement executed, extended or renewed on or after October 1, 2022, a landlord of a dwelling unit shall approve a tenant's written request to install an electric vehicle charging station at a dedicated parking space for the tenant that meets the requirements of this section and complies with the landlord's procedural approval process for modifications to the property.
- 322 (c) A landlord shall not be obligated to provide an additional parking 323 space to a tenant in order to accommodate an electric vehicle charging 324 station.
 - (d) If the electric vehicle charging station has the effect of providing the tenant with a reserved parking space, the landlord may charge a monthly rental amount for such parking space.
 - (e) An electric vehicle charging station installed pursuant to this section, and all modifications and improvements to the property, shall comply with any state or federal law or municipal ordinance, and all applicable zoning requirements, land use requirements, and covenants, conditions and restrictions.
 - (f) A tenant's written request to modify the rental property to install an electric vehicle charging station shall indicate such tenant's consent to enter into a written agreement with the landlord that includes, but is not limited to, provisions regarding:

(1) The installation, use, maintenance and removal of the electric vehicle charging station and its infrastructure;

- (2) Permission for the landlord to withhold all or a part of the security deposit pursuant to section 47a-21 of the general statutes at the time the tenancy is terminated for any damages suffered by the landlord due to the tenant's failure to comply with the landlord's requirements regarding maintenance and removal of the electric vehicle charging station and its infrastructure;
- (3) A complete financial analysis and scope of work regarding the installation of the electric vehicle charging station and its infrastructure;
- (4) Payment to the landlord of any costs associated with the landlord's installation of the electric vehicle charging station and its infrastructure prior to any modification or improvement to the rental property. The costs associated with modifications and improvements include, but are not limited to, the cost of permits, supervision, construction and, solely if required by the contractor and consistent with its past performance of work for the landlord, performance bonds;
- (5) Payment, as part of the tenant's rent, of the landlord's incurred costs associated with the electrical usage of the electric vehicle charging station, and costs for damage, maintenance, repair, removal and replacement of the electric vehicle charging station, including such modifications or improvements made to the rental property associated with the electric vehicle charging station;
- (6) Maintenance of a general liability insurance policy that covers an electric vehicle charging station at a tenant's dedicated parking space and to name the landlord as a named additional insured under the policy commencing with the date of approval for construction until the tenant forfeits possession of the dwelling unit to the landlord; and
- (7) A requirement for the tenant to post a surety bond in an amount equal to the cost of removing the electric vehicle charging station or agree to designate the electric vehicle charging station as a fixture of the

rental property if the tenant does not remove the electric vehicle charging station upon the termination of the lease.

- (g) This section shall not apply to a residential rental property where: (1) The dwelling unit provides electric vehicle charging stations for use by tenants in a ratio that is equal to or greater than ten per cent of the designated parking spaces; (2) parking is not provided as part of the rental agreement; (3) there are fewer than five parking spaces; (4) the development of such property is assisted by an allocation of Low Income Housing Tax Credits pursuant to Section 42 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time; or (5) such property is managed by a housing authority created under section 8-40 of the general statutes.
- Sec. 5. (NEW) (*Effective October 1, 2022*) (a) As used in this section, level two electric vehicle charging station means an electric component assembly or cluster of component assemblies designed specifically to supply electricity to battery electric vehicles at two hundred forty volts and equal to or less than eighty amperes.
 - (b) The Commissioner of Administrative Services shall require each new construction of a state facility and a school building project, as defined in section 10-282 of the general statutes, to be installed with level two electric vehicle charging stations in at least twenty per cent of the designated parking spaces for cars or light duty trucks at such facility or school.
 - (c) A municipality shall require each new construction of a commercial building and a multiunit residential building with thirty or more designated parking spaces for cars or light duty trucks to include electric vehicle charging infrastructure that is capable of supporting level two electric vehicle charging stations or a higher level of electric vehicle charging in at least ten per cent of such parking spaces. A municipality may, through its legislative body, require any such commercial building and multiunit residential building to include such electric vehicle charging infrastructure in more than ten per cent of such

- 401 parking spaces.
- Sec. 6. Section 12-81 of the 2022 supplement to the general statutes is
- 403 amended by adding subdivisions (80) and (81) as follows (Effective
- 404 October 1, 2022, and applicable to assessment years commencing on or after
- 405 *October* 1, 2022):
- 406 (NEW) (80) Level two electric vehicle charging stations, as defined in
- 407 section 5 of this act, that are located on commercial or industrial
- 408 properties, electric vehicle charging stations, as defined in section 16-
- 409 19f, that are located on residential properties, and any refueling
- 410 equipment for fuel cell electric vehicles, as defined in section 16-19eee;
- 411 and
- 412 (NEW) (81) Zero-emission buses, as defined in section 4a-67d, as
- amended by this act.
- Sec. 7. Section 22a-202 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective from passage*):
- 416 (a) As used in this section, (1) "environmental justice community" has
- 417 the same meaning as provided in subsection (a) of section 22a-20a, (2)
- 418 "battery electric vehicle", "electric vehicle", "fuel cell electric vehicle" and
- 419 "plug-in hybrid electric vehicle" have the same meanings as provided in
- section 16-19eee, and (3) "electric bicycle" has the same meaning as
- 421 provided in section 14-1.
- 422 (b) The Commissioner of Energy and Environmental Protection shall
- 423 establish and administer a Connecticut Hydrogen and Electric
- 424 Automobile Purchase Rebate program.
- 425 [(a)] (c) There is established a Connecticut Hydrogen and Electric
- 426 Automobile Purchase Rebate <u>Advisory</u> Board, which shall be within the
- 427 Department of Energy and Environmental Protection for administrative
- 428 purposes only. The advisory board shall advise the Commissioner of
- 429 Energy and Environmental Protection concerning priorities for the
- 430 <u>allocation</u>, distribution and utilization of funds for the Connecticut
- 431 Hydrogen and Electric Automobile Purchase Rebate program. The

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advisory board shall consist of the Commissioner of Energy and Environmental Protection or the commissioner's designee, the Commissioner of Consumer Protection or the commissioner's designee, the president of the Connecticut Green Bank or the president's designee, the chairperson of the Public Utilities Regulatory Authority or the <u>chairperson's designee</u> and [six] <u>ten</u> members appointed as follows: (1) One representative of an environmental organization knowledgeable in electric vehicle policy appointed by the speaker of the House of Representatives; (2) one [member] representative of an association representing electric vehicle manufacturers appointed by the president pro tempore of the Senate; (3) one representative of an organization that represents the interests of an environmental justice community [, as defined in subsection (a) of section 22a-20a,] appointed by the majority leader of the House of Representatives; (4) one representative of an association representing automotive retailers in the state appointed by the majority leader of the Senate; (5) one [member] representative of an association representing electric vehicle consumers appointed by the minority leader of the House of Representatives; [and] (6) one member appointed by the minority leader of the Senate; (7) one representative of an organization interested in the promotion of walking or bicycling appointed by the House chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to transportation; (8) one member appointed by the Senate chairperson of the joint standing committee of the General Assembly having cognizance of matters relating to transportation; (9) one member who is an owner or manager of a business engaged in the sale or repair of bicycles appointed by the House ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to transportation; and (10) one member appointed by the Senate ranking member of the joint standing committee of the General Assembly having cognizance of matters relating to transportation. The Commissioner of Energy and Environmental Protection may appoint to the advisory board not more than three additional representatives from other industrial fleet or transportation companies. The Commissioner of Energy and Environmental Protection, or the commissioner's designee,

shall serve as chairperson of the <u>advisory</u> board. The <u>advisory</u> board shall meet at such times as it deems necessary <u>and may establish rules governing its internal procedures</u>.

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[(b)] (d) On and after [January 1, 2020, until December 31, 2025, inclusive, the board] the effective date of this section, the Commissioner of Energy and Environmental Protection shall establish and administer a program to provide rebates [that total at least three million dollars annually] or vouchers to residents, [of] municipalities, businesses, nonprofit organizations and tribal entities located in this state [who (1)] when such residents, municipalities, businesses, organizations or tribal entities purchase or lease a new or used battery electric vehicle, plug-in hybrid electric vehicle or fuel cell electric vehicle. [, or (2) purchase a used hydrogen vehicle or electric vehicle.] The [board] commissioner, in consultation with the advisory board, shall establish and revise, as necessary, appropriate rebate levels, voucher amounts and maximum income eligibility for such rebates [for used hydrogen vehicles or electric vehicles.] or vouchers. The commissioner shall prioritize the granting of rebates or vouchers to residents of environmental justice communities, residents having household incomes at or below three hundred per cent of the federal poverty level, and residents who participate in state and federal assistance programs, including, but not limited to, the stateadministered federal Supplemental Nutrition Assistance Program, state-administered federal Low Income Home Energy Assistance Program, a Head Start program established pursuant to section 10-16n or assistance provided by Operation Fuel, Incorporated. Any such rebates or vouchers shall be in an amount not less than five thousand dollars to residents of environmental justice communities. An eligible municipality, business, nonprofit organization or tribal entity may receive not more than ten rebates or vouchers a year, within available funds, and not more than a total of twenty rebates or vouchers, except the commissioner may issue additional rebates or vouchers to an eligible business or nonprofit organization that operates fleets exclusively in an environmental justice community. On and after July 1, 2022, and until June 30, 2027, inclusive, a battery electric vehicle, plug-in hybrid electric vehicle or fuel cell electric vehicle that is eligible for a rebate or voucher

under the program shall have a base manufacturer's suggested retail price of not more than fifty thousand dollars.

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504 (e) As a part of the Connecticut Hydrogen and Electric Automobile 505 Purchase Rebate program, the commissioner shall also establish and 506 administer a program to provide rebates or vouchers to residents of the 507 state who purchase an electric bicycle. The commissioner, in 508 consultation with the advisory board, shall establish and revise, as 509 necessary, maximum income eligibility for such rebates or vouchers. Any such rebate or voucher amount shall be in an amount not less than 510 five hundred dollars. The rebate or voucher program shall be designed 511 to maximize the air quality benefits associated with the deployment of 512 electric bicycles and prioritize providing vouchers to residents of 513 514 environmental justice communities, residents having household 515 incomes at or below three hundred per cent of the federal poverty level, and residents who participate in state and federal assistance programs, 516 517 including, but not limited to, the state-administered federal Supplemental Nutrition Assistance Program, state-administered federal 518 519 Low Income Home Energy Assistance Program, a Head Start program 520 established pursuant to section 10-16 or assistance provided by 521 Operation Fuel, Incorporated. On and after July 1, 2022, and until June 30, 2027, inclusive, an electric bicycle that is eligible for a rebate or 522 523 voucher under the program shall have a base manufacturer's suggested 524 retail price of not more than three thousand dollars.

(f) The [board] <u>Commissioner of Energy and Environmental Protection</u> shall evaluate [such] <u>the Connecticut Hydrogen and Electric Automobile Purchase Rebate</u> program on an annual basis. <u>Not later than June 20, 2024</u>, and annually thereafter, the commissioner shall submit a report to the joint standing committees of the General Assembly having cognizance of matters relating to the environment and transportation regarding the status and effectiveness of such program. Such report shall include information on program participation and the environmental benefits accruing to environmental justice communities and communities overburdened by air pollution.

(g) The Commissioner of Energy and Environmental Protection shall
 conduct outreach programs and implement a marketing campaign for
 the promotion of the Connecticut Hydrogen and Electric Automobile
 Purchase Rebate program.

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[(c)] (h) There is established an account to be known as the "Connecticut hydrogen and electric automobile purchase rebate program account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the [Connecticut Hydrogen and Electric Automobile Purchase Rebate Board] Commissioner of Energy and Environmental Protection for the purposes of administering the Connecticut Hydrogen and Electric Automobile Purchase Rebate program. [established pursuant to subsection (b) of this section.]

Sec. 8. Subsection (a) of section 14-49 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(a) For the registration of each passenger motor vehicle, [other than an electric motor vehicle,] the fee shall be one hundred twenty dollars every three years, provided any individual who is sixty-five years of age or older may, at such individual's discretion, renew the registration of such passenger motor vehicle owned by such individual for either a oneyear period or the registration period as determined by the commissioner pursuant to subsection (a) of section 14-22. The registration fee shall be prorated accordingly for any such registration that is renewed for a one-year period. The triennial fee for any motor vehicle for which special license plates have been issued under the provisions of section 14-20 shall be one hundred twenty dollars. The provisions of this subsection relative to the triennial fee charged for the registration of each antique, rare or special interest motor vehicle for which special license plates have been issued under section 14-20 shall not apply to an antique fire apparatus or transit bus owned by a nonprofit organization and maintained primarily for use in parades,

exhibitions or other public events but not for purposes of general transportation.

- Sec. 9. Subsection (a) of section 14-49b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):
- 573 (a) (1) For each new registration or renewal of registration of any 574 motor vehicle with the Commissioner of Motor Vehicles pursuant to this 575 chapter, the person registering such vehicle shall pay to the 576 commissioner a fee of fifteen dollars for registration for a triennial 577 period, ten dollars for registration for a biennial period and five dollars 578 for registration for an annual period, except that any individual who is 579 sixty-five years of age or older on or after January 1, 1994, may, at the 580 discretion of such individual, pay the fee for a one-year period if such 581 individual obtains a one-year registration under subsection (a) of 582 section 14-49, as amended by this act. The provisions of this subsection 583 shall not apply to any motor vehicle that is not self-propelled, that is 584 electrically powered, or that is exempted from payment of a registration 585 fee. This fee may be identified as the "federal Clean Air Act fee" on any 586 registration form provided by the commissioner. Payments collected 587 pursuant to the provisions of this section shall be deposited as follows: 588 [(1)] (A) Fifty-seven and one-half per cent of such payments collected 589 shall be deposited into the [Special Transportation Fund] reduce 590 transportation-related greenhouse gases account established pursuant 591 to subsection (d) of section 13b-68, as amended by this act, and [(2)] (B) 592 forty-two and one-half per cent of such payments collected shall be 593 deposited into the [General Fund] federal Clean Air Act account 594 established pursuant to subdivision (2) of this section. The fee required 595 by this subsection is in addition to any other fees prescribed by any other 596 provision of this title for the registration of a motor vehicle. No part of 597 the federal Clean Air Act fee shall be subject to a refund under 598 subsection (z) of section 14-49.
 - (2) There is established an account to be known as the "federal Clean Air Act account" which shall be a separate, nonlapsing account within

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601 the General Fund. The account shall contain any moneys required by

- 602 <u>law to be deposited in the account. Moneys in the account shall be</u>
- 603 expended by the Commissioner of Energy and Environmental
- 604 Protection for the purposes of implementing the requirements of the
- 605 <u>federal Clean Air Act, improving air quality and reducing carbon</u>
- 606 emissions.
- Sec. 10. Section 13b-68 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2022):
- (a) There is established a fund to be known as the "Special
- Transportation Fund". The fund may contain any moneys required or
- 611 permitted by law to be deposited in the fund and any moneys recovered
- by the state for overpayments, improper payments or duplicate
- 613 payments made by the state relating to any transportation infrastructure
- 614 improvements which have been financed by special tax obligation
- bonds issued pursuant to sections 13b-74 to 13b-77, inclusive, and shall
- be held by the Treasurer separate and apart from all other moneys,
- funds and accounts. Investment earnings credited to the assets of said
- fund shall become part of the assets of said fund. Any balance remaining
- in said fund at the end of any fiscal year shall be carried forward in said
- 620 fund for the fiscal year next succeeding.
- (b) The Special Transportation Fund shall be a perpetual fund, the
- resources of which shall be expended solely for transportation purposes.
- 623 Such purposes include the payment of debt service on obligations of the
- state incurred for transportation purposes. All sources of moneys, funds
- and receipts of the state required to be credited, deposited or transferred
- 626 to said fund by state law on or after June 30, 2015, shall continue to be
- credited, deposited or transferred to said fund, so long as the sources of
- 628 such moneys, funds and receipts are collected or received by the state or
- any officer thereof. No law shall be enacted authorizing the resources of
- said fund to be expended other than for transportation purposes.
- (c) There is established a fund to be known as the "Transportation
- 632 Grants and Restricted Accounts Fund". Upon certification by the
- 633 Comptroller and the Secretary of the Office of Policy and Management

that the CORE-CT project for fiscal services is operational, the fund shall contain all transportation moneys that are restricted, not available for general use and previously accounted for in the Special Transportation Fund as "Federal and Other Grants". The Comptroller is authorized to make such transfers as are necessary to provide that, notwithstanding any provision of the general statutes, all transportation moneys that are restricted and not available for general use are in the Transportation Grants and Restricted Accounts Fund.

- (d) There is established an account to be known as the "reduce transportation-related greenhouse gases account" which shall be a separate, nonlapsing account within the Special Transportation Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Commissioner of Transportation for the purposes of transportation-related expenditures to reduce transportation-related greenhouse gases.
- Sec. 11. Section 22a-201c of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
 - (a) For each registration of a new motor vehicle with the Commissioner of Motor Vehicles pursuant to chapter 246, the person registering such vehicle shall pay to the commissioner a fee of fifteen dollars, in addition to any other fees required for registration, for the following registration types: Passenger, motor home, combination or antique.
 - (b) For each new registration or renewal of registration of any motor vehicle, except a new motor vehicle, with the Commissioner of Motor Vehicles pursuant to chapter 246, the person registering such vehicle shall pay to the commissioner a fee of seven dollars and fifty cents for registration for a triennial period and five dollars for registration for a biennial period for the following registration types: Passenger, motor home, combination or antique. Any person who is sixty-five years of age or older and who obtains a one-year registration renewal for any motor vehicle under section 14-49, as amended by this act, for such registration

type shall pay two dollars and fifty cents for the annual registration period.

- (c) The fee imposed by this [subsection] section may be identified as the "greenhouse gas reduction fee" on any registration form, or combined with the fee specified by subdivision (3) of subsection (k) of section 14-164c on any registration form. [The first three million dollars received from the payment of such fee] Payments collected pursuant to the provisions of this section shall be deposited into the Connecticut hydrogen and electric automobile purchase rebate program account, established pursuant to subsection [(c)] (h) of section 22a-202, as amended by this act. [Any revenue from such fee in excess of the first three million dollars in each fiscal year shall be deposited into the General Fund.] No part of the greenhouse gas reduction fee shall be subject to a refund under subsection (z) of section 14-49.
- Sec. 12. (NEW) (Effective from passage) The Commissioner of Transportation shall establish a matching grant program for the purpose of assisting municipalities to modernize existing traffic signal equipment and operations to make such equipment and operations capable of utilizing transit signal priority and responsive to congestion and to reduce idling. Applications shall be submitted annually to the commissioner at such times and in such manner as the commissioner prescribes. The commissioner shall develop the eligibility criteria for participation in the program and determine the amount a municipality shall be required to provide to match any such grant. The commissioner shall give preference to applications submitted by two or more municipalities and establish incentives for regional projects.
- Sec. 13. (*Effective July 1, 2022*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate seventy-five million dollars.
- (b) The proceeds of the sale of such bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department

of Transportation for the purpose of modernizing existing traffic signal equipment and operations pursuant to section 12 of this act.

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(c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with section 3-20 of the general statutes and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization that is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 14. (NEW) (Effective from passage) (a) On and after January 1, 2023, and within available funds, the Commissioner of Energy and Environmental Protection, in consultation with the Commissioners of Motor Vehicles, Transportation and Education, may establish a voucher program to support the deployment of any vehicle classified within Class 5 to Class 13, inclusive, by the Federal Highway Administration's vehicle category classification system, as amended from time to time, and any school bus classified within Class 3 to Class 8, inclusive, by said classification system, that is equipped with zero emission vehicle

technology, including, but not limited to, battery electric and fuel cell systems and the installation of electric vehicle charging infrastructure. In awarding vouchers, the Commissioner of Energy and Environmental Protection shall consider the amount of funding available and set aside forty per cent of such funding to be used toward maximizing air pollution reductions in environmental justice communities, as defined in section 22a-20a of the general statutes. Vouchers shall not be awarded for vehicle classes where there is no commercially available zero-emission technology.

- (b) There is established an account to be known as the "medium and heavy duty vehicle voucher account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Commissioner of Energy and Environmental Protection for the purposes of the voucher program established under subsection (a) of this section.
- Sec. 15. Subsection (a) of section 10-220 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1*, 2022):
 - (a) Each local or regional board of education shall maintain good public elementary and secondary schools, implement the educational interests of the state, as defined in section 10-4a, and provide such other educational activities as in its judgment will best serve the interests of the school district; provided any board of education may secure such opportunities in another school district in accordance with provisions of the general statutes and shall give all the children of the school district, including children receiving alternative education, as defined in section 10-74j, as nearly equal advantages as may be practicable; shall provide an appropriate learning environment for all its students which includes (1) adequate instructional books, supplies, materials, equipment, staffing, facilities and technology, (2) equitable allocation of resources among its schools, (3) proper maintenance of facilities, and (4) a safe school setting; shall, in accordance with the provisions of subsection (f)

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of this section, maintain records of allegations, investigations and reports that a child has been abused or neglected by a school employee, as defined in section 53a-65, employed by the local or regional board of education; shall have charge of the schools of its respective school district; shall make a continuing study of the need for school facilities and of a long-term school building program and from time to time make recommendations based on such study to the town; shall adopt and implement an indoor air quality program that provides for ongoing maintenance and facility reviews necessary for the maintenance and improvement of the indoor air quality of its facilities; shall adopt and implement a green cleaning program, pursuant to section 10-231g, that provides for the procurement and use of environmentally preferable cleaning products in school buildings and facilities; on and after July 1, 2021, and every five years thereafter, shall report to the Commissioner of Administrative Services on the condition of its facilities and the action taken to implement its long-term school building program, indoor air quality program and green cleaning program, which report the Commissioner of Administrative Services shall use to prepare a report every five years that said commissioner shall submit in accordance with section 11-4a to the joint standing committee of the General Assembly having cognizance of matters relating to education; shall advise the Commissioner of Administrative Services of the relationship between any individual school building project pursuant to chapter 173 and such long-term school building program; shall have the care, maintenance and operation of buildings, lands, apparatus and other property used for school purposes and at all times shall insure all such buildings and all capital equipment contained therein against loss in an amount not less than eighty per cent of replacement cost; shall determine the number, age and qualifications of the pupils to be admitted into each school; shall develop and implement a written plan for minority educator recruitment for purposes of subdivision (3) of section 10-4a; shall employ and dismiss the teachers of the schools of such district subject to the provisions of sections 10-151 and 10-158a; shall designate the schools which shall be attended by the various children within the school district; shall make such provisions as will enable each child of

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school age residing in the district to attend some public day school for the period required by law and provide for the transportation of children wherever transportation is reasonable and desirable, and for such purpose may make contracts covering periods of not more than (A) five years, or (B) ten years if such contract includes transportation provided by at least one school bus that is a zero-emission bus, as defined in section 4a-67d, as amended by this act; may provide alternative education, in accordance with the provisions of section 10-74j, or place in another suitable educational program a pupil enrolling in school who is nineteen years of age or older and cannot acquire a sufficient number of credits for graduation by age twenty-one; may arrange with the board of education of an adjacent town for the instruction therein of such children as can attend school in such adjacent town more conveniently; shall cause each child five years of age and over and under eighteen years of age who is not a high school graduate and is living in the school district to attend school in accordance with the provisions of section 10-184, and shall perform all acts required of it by the town or necessary to carry into effect the powers and duties imposed by law.

- Sec. 16. (NEW) (*Effective July 1, 2022*) (a) As used in this section, "zero-emission bus" has the same meaning as provided in section 4a-67d of the general statutes, as amended by this act, and "environmental justice community" has the same meaning as provided in subsection (a) of section 22a-20a of the general statutes.
- (b) (1) On and after January 1, 2030, one hundred per cent of the school buses that provide transportation for school districts in environmental justice communities shall be zero-emission buses.
- (2) On and after January 1, 2035, one hundred per cent of the school
 buses that provide transportation for all school districts in the state shall
 be zero-emission buses.
 - (c) The Commissioner of Energy and Environmental Protection shall establish and administer a grant program for the purpose of providing matching funds necessary for municipalities, school districts and school

bus operators to submit federal grant applications in order to maximize federal funding for the purchase or lease of zero-emission buses and electric vehicle charging infrastructure. Applications for such grants shall be filed with the commissioner at such time and in such manner as the commissioner prescribes. The commissioner shall give preference to applications concerning the purchase or lease of a zero-emission bus that will be operated primarily in an environmental justice community. The commissioner shall determine the amount a municipality, school district or school bus operator shall be required to provide to match such grant.

- (d) The Commissioner of Energy and Environmental Protection shall, within available appropriations, provide administrative and technical assistance to municipalities, school districts and school bus operators that are applying for federal grants for zero-emission buses and installing electric vehicle charging infrastructure.
- Sec. 17. (*Effective July 1, 2022*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate twenty million dollars.
 - (b) The proceeds of the sale of such bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of Energy and Environmental Protection for the purpose of administering the grant program established pursuant to subsection (c) of section 16 of this act.
 - (c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with section 3-20 of the general statutes and from time to time renewed. Such bonds shall mature at such time or times not

exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization that is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 18. (NEW) (Effective October 1, 2022) (a) Not later than July 1, 2024, and annually thereafter, the Commissioner of Transportation, in consultation with the Commissioner of Energy and Environmental Protection, shall establish a transportation carbon budget for the state that sets the maximum amount of greenhouse gas emissions permitted from the transportation sector. The commissioners shall consider the long-term emission reductions required by section 22a-200a of the general statutes when establishing the transportation carbon budget.

(b) The Commissioner of Transportation shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to ensure transportation projects undertaken by the state, regional entities or municipalities adhere to the transportation carbon budget. The regulations shall include, but need not be limited to, (1) a definition of "transportation project" that excludes transportation projects that are necessary for safety reasons or maintenance, (2) the methodology to calculate the greenhouse gas emissions expected from future transportation projects, (3) where such projects are estimated to increase net greenhouse gas emissions, the ways to offset such emissions by undertaking greenhouse gas mitigation transportation projects that will

reduce such emission, and (4) a description of such greenhouse gas mitigation transportation projects, including, but not limited to, improving public transportation, constructing bikeways, pedestrian walkways or other multiuse trails or paths and installing electric vehicle charging infrastructure. Not later than July 1, 2024, the commissioner shall submit the regulations to the standing legislative regulation review committee for consideration under section 4-170 of the general statutes.

- (c) The Commissioner of Transportation, in consultation with the Commissioner of Energy and Environmental Protection, shall implement a public outreach plan to ensure sufficient public and stakeholder engagement in the development of the transportation carbon budget and the regulations.
- (d) On or before February 1, 2025, and annually thereafter, the Commissioner of Transportation shall submit, in accordance with the provisions of section 11-4a of the general statutes, a copy of the transportation carbon budget for the state and a description of and the results of the public outreach conducted pursuant to subsection (c) of this section to the joint standing committees of the General Assembly having cognizance of matters relating to transportation and the environment.
 - Sec. 19. (*Effective July 1, 2022*) The sum of fifteen million dollars is appropriated to the Department of Energy and Environmental Protection from the General Fund, for the fiscal year ending June 30, 2023, for deposit into the medium and heavy duty vehicle voucher account, established under subsection (b) of section 14 of this act, for providing vouchers in accordance with section 14 of this act.
- 928 Sec. 20. Subsection (f) of section 14-49 of the 2022 supplement to the 929 general statutes is repealed. (*Effective July 1, 2022*)

This act shall take effect as follows and shall amend the following sections:					
Sections.					
Section 1	October 1, 2022	4a-67d			

Sec. 2	October 1, 2022	New section
Sec. 3	October 1, 2022	New section
Sec. 4	October 1, 2022	New section
Sec. 5	October 1, 2022	New section
Sec. 6	October 1, 2022, and	12-81
	applicable to assessment	
	years commencing on or	
	after October 1, 2022	
Sec. 7	from passage	22a-202
Sec. 8	July 1, 2022	14-49(a)
Sec. 9	July 1, 2022	14-49b(a)
Sec. 10	July 1, 2022	13b-68
Sec. 11	July 1, 2022	22a-201c
Sec. 12	from passage	New section
Sec. 13	July 1, 2022	New section
Sec. 14	from passage	New section
Sec. 15	October 1, 2022	10-220(a)
Sec. 16	July 1, 2022	New section
Sec. 17	July 1, 2022	New section
Sec. 18	October 1, 2022	New section
Sec. 19	July 1, 2022	New section
Sec. 20	July 1, 2022	Repealer section

Statement of Legislative Commissioners:

In Section 1(e), Subdiv. designators were added for clarity, Sections 2, 3, 4 and 7 were rewritten for clarity and accuracy; in Section 5(b), "building" was changed to "facility" for consistency; in Section 6(81), "4a-67" was changed to "4a-67d" for accuracy; in Section 13(a), "thousand" was changed to "million" for consistency with legislative intent and to correct a typographical error; in Section 15(a)(4)(B), "vehicle" was changed to "bus" for accuracy; in Section 16(b) and (c), "electric school" was deleted for consistency; in Section 16(d), "school bus electrification" was changed to "zero-emission buses" and "stations" was changed to "infrastructure" for accuracy; and Section 18(d) was rewritten for clarity and consistency.

TRA Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Department of Transportation	TF - Potential	See Below	See Below
	Cost		
Resources of the General Fund	GF - Revenue	5 million	5 million
	Loss		
Department of Energy and	CHEAPR	5 million	5 million
Environmental Protection	(nonlapsing GF) -		
	Cost/Revenue		
	Gain		
Department of Motor Vehicles	TF - Revenue	1.3 million	1.4 million
	Gain		
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
Department of Energy and	GF - Cost	15 million	None
Environmental Protection			
Department of Energy and	GF - Cost	69,128	69,128
Environmental Protection			
State Comptroller - Fringe	GF - Cost	28,018	28,018
Benefits ¹			
Department of Transportation	TF - Cost	650,000	650,000
State Comptroller - Fringe	TF - Cost	60,063	60,063
Benefits ¹			

Note: TF=Transportation Fund; GF=General Fund

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.53% of payroll in FY 23.

Municipal Impact:

Municipalities	Effect	FY 23 \$	FY 24 \$
Various Local and Regional	STATE	See Below	See Below
School Districts	MANDATE ²		
	- Potential		
	Revenue		
	Gain/Cost		
All Municipalities	Grand List	None	Potential
	Reduction		
All Municipalities	Potential	See Below	See Below
	Savings		
Various Local and Regional	Potential	See Below	See Below
School Districts	Savings/		
	Cost		

Explanation

Section 1 accelerates various targets, from 2030 to 2026, regarding the percentage of the state fleet that must have zero emissions. This provision is not expected to have a fiscal impact because it is anticipated that the Department of Administrative Services (DAS) would not make fleet purchases if there were significant market barriers or if they were otherwise not cost effective. If DAS does not meet these requirements, the agency must submit a report to various legislative committees explaining why and proposing an alternative schedule.

This section also prohibits the Department of Transportation (DOT) from purchasing or leasing any diesel-fueled transit buses beginning in 2024. This provision may increase capital costs over the next several years, covered in part by federal funds, but only to the extent that it requires DOT to accelerate its transit fleet conversion beyond what it would have otherwise done. It should be noted that the agency's current policy and plans align with this section's requirements.

Section 5 requires all new construction of a state facility or a school building project have at least 20% of parking spaces for cars or light duty

² State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

trucks be installed with level II electric vehicle (EV) charging stations. This is expected to increase construction costs of relevant projects and represents a potential cost to the state and potential cost and revenue gain to local and regional school districts.

The school construction program is funded using General Obligation (GO) bonds, in two large tracts: priority list projects (i.e., larger projects approved in legislation) and non-priority list projects. Non-priority list projects currently include emergency items, such as fire or catastrophe damage, leaking roofs, or code violations. The bill requires all school building projects that are part of the state's school construction reimbursement program include installation of vehicle charging stations as part of school building projects, whether those projects fall under the legislatively-approved, and typically larger scale, priority list or the administratively approved non-priority list.

It seems likely that schools would not seek state reimbursement for non-priority projects if the cost of installation of the charging stations was greater than the costs associated with the underlying project. To the extent schools do not participate in the state school construction program to avoid the increased costs associated with installing charging stations, there are potential increased costs to local and regional school districts if those districts choose to undertake school construction projects. Use of previously authorized bond funds for school construction could be increased if school project reimbursements are accelerated, or decreased if schools choose not to be part of the program.

While the bill requires charging station installation for the non-priority list projects, current law (CGS Sec. 10-283, which is unchanged by the bill) does not appear to allow for state reimbursement of costs associated charging stations for non-priority list projects. The potential aversion to being part of the state school construction program described above would increase if the additional costs associated with the charging stations are not a reimbursable expense. Use of previously authorized bond funds for school construction could be decreased if schools choose not to be part of the program and the charging stations

are not an eligible reimbursable expense.

For school construction priority list projects, the bill is likely to increase overall costs of projects to be considered in the future. To the extent these changes increase the total cost of future projects, the increased cost would be shared between municipalities and the state at the appropriate reimbursement ratio. Similarly, for new state facility construction, the bill will increase future project costs. Specific costs for eligible projects, including the marginal increase from the charging station requirement, can only be determined as project expenses are incurred by municipalities or the state and state reimbursements are sought and offered. The fiscal impact of future projects requiring legislative approval would be shown at the time such projects are considered.

Future General Fund (GF) debt service costs may be incurred sooner under the bill to the degree that it causes previously authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been.

As of March 1, 2022, the unallocated bond balance available under the school construction authorization is \$636 million, with another \$550 million effective under current law to start FY 23. The bill does not change GO bond authorizations relevant to this section.

Section 6 exempts electric buses, certain EV charging stations, and other refueling equipment for fuel-cell EVs from property taxes.

Exempting electric buses from property tax varies based on the type of bus exempted. School buses are owned by private companies and are taxable. It is not known if any private school bus companies currently use electric buses. To the extent that they do, the cost of paying property taxes on those buses is presumably factored in their contracts with municipalities. Exempting these buses would result in a grand list reduction in municipalities where they are registered but could also reduce the cost of municipal contracts. At the average statewide mill rate, the property taxes on a single electric school bus could range from

\$6,500 to \$11,000. Exempting electric charter buses from property taxes has no fiscal impact, because such buses are already exempt.

Exempting EV charging stations and other refueling equipment similarly results in a grand list reduction in the municipalities where the equipment is located. Any grand list reduction results in a revenue loss, given a constant mill rate.

Sections 7 & 11 of the bill alter and expand the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program. The bill increases program funding by transferring the entire greenhouse gas (GHG) vehicle registration fee to the CHEAPR account, resulting in GF revenue loss of approximately \$5 million annually and an equal revenue gain to the CHEAPR account. The GHG fee generates approximately \$8 million annually, but under current law only the first \$3 million goes to CHEAPR, with the remainder going to the GF. Further, the bill extends eligibility to municipalities, resulting in potential savings to the extent they receive these incentives.

Section 8 eliminates the registration discount for EVs, bringing the fee from \$57 to \$120 for a three-year period, the same as for regular registrations. This results in an estimated revenue gain of \$1.3 million in FY 23 and \$1.4 million in FY 24.3

Sections 13 & 17 authorize a combined \$95 million in GO bonds, including \$75 million for DOT to establish a traffic signal grant program and \$20 million for the Department of Energy and Environmental Protection (DEEP) to establish a zero-emission school bus grant program. To the extent bonds are fully allocated and expended, total debt service is expected to be approximately \$136 million over the 20-year duration of the bonds.

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³ According to the DMV, there were 21,382 EVs registered in the state as of January 1, 2022. For FY 23 and FY 24, this estimate assumes EV purchases in the state (used here as a proxy for new registrations) follow the growth reflected in the Energy Information Administration's 2021 Annual Energy Outlook reference case regional forecast for New England. Specifically, it follows the growth rate for all 100-mile, 200-mile, and 300-mile electric cars and light trucks.

Sections 14 & 19 allow DEEP to establish a voucher program for the deployment of certain zero emission vehicles after January 1, 2023, and within available funds. These sections also establish a "medium and heavy duty vehicle voucher account" within the GF and appropriate \$15 million to the account in FY 23.

Section 15 allows local and regional boards of education to enter into school transportation contracts for up to 10 years, rather than five under current law, if the contract includes at least one school bus that is zero-emission. It is anticipated that a local and regional school district would only enter into a 10-year contract, rather than a five-year contact, if they could achieve savings. The savings incurred by districts would depend on the terms of the contract.

Section 16 requires that all school buses be zero-emission by: (1) January 1, 2030, in certain environmental justice school districts, and (2) by January 1, 2035, in the remaining districts. To the extent that the cost of this requirement exceeds available state bond and federal funds, local and regional school districts will incur a cost. It is anticipated that these costs could be significant and would depend on the number of buses in a district that are not zero-emission, and the amount of bond funds and federal funds the district received.

This section also requires DEEP to establish a new grant program to provide matching funds for municipalities, school districts, and school bus operators when submitting federal grant applications for zero-emission buses and EV charging infrastructure. The funds for this program are provided through GO bonds and are described in Sections 13 & 17 above. However, additional costs of \$97,146 in each of FY 23 and FY 24 are expected for DEEP to hire an Environmental Analyst 3 to administer the program.

Section 18 requires DOT to establish, beginning in FY 25 and annually thereafter, a transportation carbon budget that sets the maximum amount of GHG emissions permitted from the transportation sector. Implementing this provision is estimated to cost \$710,063 in each of FY 23 and FY 24 for a consultant to develop a framework and

methodology for the budget (approximately \$1 million total) and two transportation planner positions to oversee the program.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the terms of any bonds issued, the number of EVs registered in the state, and as otherwise described.

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AN ACT CONCERNING THE CONNECTICUT CLEAN AIR ACT.

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§§ 14 & 19 — MEDIUM AND HEAVY-DUTY TRUCK VOUCHERS

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§§ 15-17 — ZERO-EMISSION SCHOOL BUSES

Allows for 10-year school transportation contracts if the contract includes at least one zero-emission bus, sets targets for converting school buses to zero-emission buses, and establishes a matching grant program for zero-emission school buses and charging infrastructure

§ 18 — STATE CARBON BUDGET

Requires DOT, in consultation with DEEP, to annually establish a transportation carbon budget and adopt implementing regulations to ensure that transportation projects adhere to the budget

BACKGROUND

SUMMARY

This bill makes various changes in existing law and establishes several new programs and initiatives concerning electric vehicle (EV) use and improving air quality by reducing transportation-related greenhouse gas (GHG) emissions. Major components include:

1. establishing grant programs for traffic signal modernization,

zero emission school buses, and zero-emission medium- and heavy-duty trucks;

- 2. requiring the Department of Transportation (DOT) to establish a carbon budget for the transportation sector;
- 3. providing property tax exemptions for zero-emission buses and certain EV charging infrastructure;
- 4. modifying the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program, including by expanding eligibility, giving priority for incentives to people with low incomes and environmental justice community residents, allowing incentives for electric bicycles, and increasing its funding; and
- 5. establishing "right to charge" provisions for renters and unit owners in condominiums and common interest communities.

EFFECTIVE DATE: July 1, 2022, unless otherwise noted below.

§ 1 — STATE FLEET ELECTRIFICATION

Modifies the schedule for electrifying the state fleet, prohibits procurement of diesel-powered buses after January 1, 2024, and requires DOT and DAS to report certain information to the legislature

Cars and Light Duty Trucks

Current law requires that, beginning January 1, 2030, at least 50% of state-purchased or -leased cars and light duty trucks be zero-emission vehicles. The bill eliminates this requirement and instead requires the state to acquire cars and light duty trucks that are battery electric vehicles on the following schedule: (1) 50% by January 1, 2026, (2) 75% by January 1, 2028, and (3) 100% by January 1, 2030.

Under the bill, a "battery electric vehicle" is a vehicle that operates solely by use of a battery or battery pack, or that is powered primarily by an electric battery or battery pack and uses a flywheel or capacitor that stores energy produced by an electric motor or through regenerative braking to assist in vehicle operation.

The bill also requires the Department of Administrative Services (DAS) to consider the lower cost of maintaining battery electric vehicles when establishing the amount to lease the vehicles to another state agency.

Report on Noncompliance. Under the bill, if the state fleet does not meet the above requirements, DAS must report to the Government Administration and Elections (GAE), Transportation, and Environment committees to (1) explain why the requirements were not met and (2) propose an alternative schedule to meet them, considering available funds and market conditions for battery electric vehicles and associated charging infrastructure. This report must be submitted annually starting January 1, 2026.

Buses

Existing law requires that, starting January 1, 2030, at least 30% of state-purchased or -leased buses be zero-emission buses. Beginning January 1, 2024, the bill also prohibits the state from procuring, purchasing, or leasing diesel-fueled transit buses.

A "zero-emission bus" is an urban bus certified by the California Air Resources Board's executive director as producing zero emissions of any criteria pollutant under all operational modes and conditions.

Exemptions

The bill's fleet requirements to not apply to emergency vehicles, sport utility vehicles, buses or vans that transport individuals in wheelchairs, specialty upfitted motor vehicles, or camp trailers.

Study and Reporting

Existing law requires DAS, in consultation with DOT, to conduct a study and report certain information about zero-emission buses to the GAE and Transportation committees.

The bill adds two components to this study by requiring the agencies to (1) develop a plan to implement zero-emission buses statewide and (2) identify barriers to implementation. It also eliminates the current

requirement that the agencies study the feasibility of a competitive bid process for total procurement of zero-emission vehicles and instead requires that they also do so for light, medium, and heavy-duty battery electric vehicles and fuel cell electric vehicles. Under the bill, DAS must report the study's results and a copy of the implementation plan to the committees by January 1, 2024.

EFFECTIVE DATE: October 1, 2022

§§ 2 & 3 — RIGHT TO CHARGE IN CONDOMINIUMS AND COMMON INTEREST COMMUNITIES

Establishes "right to charge" in condominiums and common interest communities by voiding governing document provisions that unreasonably restrict EV charging installation in a unit or limited common element parking space; establishes requirements for processing applications and provisions applicable to charging station installation

The bill establishes "right to charge" provisions for unit owners in condominiums (§ 2) and common interest communities (§ 3). Beginning October 1, 2022, the bill makes void and unenforceable any provision in declarations, bylaws, rules, or condominium instruments, as applicable ("governing documents"), that prohibit or unreasonably restrict EV charging station installation in a unit or limited common element parking space.

An EV charging station is an electric component assembly or cluster of component assemblies designed specifically to charge batteries in EVs by permitting the transfer of electric energy to a battery or other storage device. Limited common elements are portions of the condominium or common interest community designated as reserved for the use of one or more units, but not all units.

Under the bill, EV charging stations in condominiums and common interest communities must meet all applicable health and safety standards and requirements under federal, state, or municipal law.

Exceptions

The bill's right to charge provisions do not apply to condominiums

and common interest communities that (1) impose "reasonable restrictions" on EV charging stations or (2) have EV charging stations in a number that is at least equal to 15% of the units. Reasonable restrictions are those that do not significantly increase an EV charging station's cost or decrease its efficiency or specified performance.

Application Processing

Under the bill, unit owners may apply to install an EV charging station to the applicable governing body (board of directors or executive board). The governing body must (1) acknowledge, in writing, the application within 30 days after receiving it and (2) approve or deny an application, in writing, within 60 days after receiving it. The governing body must process the application in the same way as the governing documents require for other additions, alterations, or improvements.

Under the bill, unless the governing body reasonably requests additional information within the 60-day period for acting on an application, an application that is not denied in that timeframe is deemed approved.

Conditions for Approval

Under the bill, the governing body may approve an EV charging installation if the owner agrees in writing to:

- 1. comply with provisions in the governing documents regarding an addition, alteration, or improvement;
- 2. have a licensed and insured contractor install the charging station;
- 3. if the station is located in a unit parking space, provide a certificate of insurance within 14 days after approval naming the association as an additional insured under the owner's insurance policy;
- 4. pay for the charging station's installation associated costs (e.g., increased master policy premiums, association attorney's fees,

engineering or professional fees, permits, and applicable zoning compliance); and

connect the electricity to the unit's individual meter or install a separate meter to identify and pay for the charging station's electricity usage.

Unit Owner Responsibilities

The bill makes the unit owner, and each successive owner, of the EV charging station responsible for the following:

- 1. costs for damage to the EV charging station, common elements, or units due to the EV charging station's installation, use, maintenance, repair, removal, or replacement;
- 2. costs to maintain, repair, and replace the EV charging station until its removal;
- 3. costs to restore the physical space where the charging station was installed after its removal;
- 4. associated electricity costs;
- 5. common expenses from uninsured losses under any master insurance policy the association holds on behalf of unit owners; and
- 6. disclosing to prospective buyers (a) the charging station's existence, (b) the associated responsibilities, and (c) that the purchaser accepts the charging station unless it is removed before the unit's transfer.

The bill also specifies that a unit owner is not required to maintain liability coverage for an existing National Electrical Manufacturers Association standard alternating current power plug.

Permitted Association Actions

The bill specifically authorizes associations to do the following:

1. install an EV charging station in the common elements to be used by all unit owners if it develops appropriate rules for the station's use,

- 2. create a new parking space where one did not previously exist to facilitate installing an EV charging station, and
- 3. require the unit owner to remove the EV charging station before the unit's sale unless the purchaser agrees to take ownership of the station.

Attorney's Fees

The bill specifies that the prevailing party must be awarded reasonable attorney's fees in any action by an association seeking to enforce compliance with the bill.

EFFECTIVE DATE: October 1, 2022

§ 4 — RENTERS' RIGHT TO CHARGE

Generally requires landlords of dwelling units to approve a tenant's written request to install an EV charging station at the tenant's dedicated parking space and specifies the contents and terms of the written request and the landlord-tenant agreement

The bill generally requires landlords of dwelling units to approve a tenant's written request to install an EV charging station (see above) at the tenant's dedicated parking space if the request (1) meets the bill's requirements and (2) complies with the landlord's procedural approval process for property modifications. This requirement applies to rental agreements executed, extended, or renewed on or after October 1, 2022.

Under the bill, a "dedicated parking space" is a parking space located within a lessee's separate interest or a parking spot that is a common area, but subject to an individual lessee's exclusive use rights. It includes a garage space, carport, or parking space that is specifically designated for the lessee's use. A "dwelling unit" is any house or building, or part of one, that is occupied or designed to be occupied, or is rented, leased, or hired out to be occupied as a residence.

The bill specifies that landlords (1) are not obligated to provide an

additional parking space to a tenant to accommodate an EV charging station and (2) may charge a monthly rent for a parking space if the EV charging station has the effect of providing the tenant with a reserved space.

Under the bill, an EV charging station, and all property modifications and improvements, must comply with applicable state, federal, or municipal laws and zoning requirements, land use requirements, covenants, conditions, and restrictions.

Exceptions

The bill's requirements do not apply to residential rental property where:

- 1. the dwelling unit has EV charging stations for tenants' use in at least 10% of designated parking spaces;
- 2. parking is not provided as part of the rental agreement;
- 3. there are fewer than five parking spaces;
- 4. the property's development is assisted by an allocation of Low Income Housing Tax Credits under federal tax law; or
- 5. the property is managed by a housing authority created under state law.

Request and Agreement

Under the bill, a tenant's written request to install an EV charging station must indicate his or her consent to enter into a written agreement with the landlord that includes provisions on the following:

- 1. installing, using, maintaining, and removing the EV charging station and its infrastructure;
- permission for the landlord to withhold all or part of a security deposit at the end of a tenancy for any damages the landlord

suffers if the tenant fails to comply with the landlord's requirements on maintaining and removing the EV charging station and its infrastructure;

- 3. a complete financial analysis and scope of work regarding the EV charging station and its infrastructure;
- 4. payment to the landlord for any costs associated with the landlord's installation of the EV charging station and its infrastructure before any modification or improvement to the rental property (e.g., permitting, supervision, construction costs, performance bonds);
- 5. payment, as part of rent, for the landlord's incurred costs associated with the electric usage of the EV charging station and costs for damage, maintenance, repair, removal, and replacement of the EV charging station (including changes or improvements to the rental property);
- 6. maintaining a general liability insurance policy that covers the EV charging station and names the landlord as an additional insured, beginning on the date of construction approval and until the tenant forfeits possession of the unit to the landlord; and
- 7. a requirement that the tenant (a) post a surety bond in an amount equal to the cost of removing the EV charging station or (b) agree to designate the station as a fixture of the rental property if the tenant does not remove it upon the lease's termination.

EFFECTIVE DATE: October 1, 2022

§ 5 — NEW CONSTRUCTION EV CHARGING REQUIREMENTS

Requires a certain percentage of parking spaces in certain new construction to be equipped with either EV charging stations or charging station infrastructure

Under the bill, DAS must require that each new construction of a state facility and "school building project" (see BACKGROUND) be installed with level two EV charging stations in at least 20% of parking spaces designated for cars or light-duty trucks.

The bill also requires municipalities to require that each new construction of a commercial building or multi-unit residential building with 30 or more parking spaces be equipped with EV charging infrastructure in at least 10% of parking spaces. Municipalities may, through their legislative bodies, require these buildings to have charging infrastructure in a higher percentage of spaces. The charging infrastructure must be capable of supporting level two EV charging stations or higher.

Under the bill, a "level two EV charging station" is an electric component assembly or cluster of component assemblies designed specifically to supply electricity to battery electric vehicles at 240 volts and up to 80 amperes.

EFFECTIVE DATE: October 1, 2022

§ 6 — PROPERTY TAX EXEMPTIONS

Exempts from property taxes certain EV charging stations, fuel cell vehicle refueling equipment, and zero-emission buses

The bill exempts from property tax (1) level two EV charging stations (see § 5) located on commercial or industrial property, (2) EV charging stations located on residential property, (3) refueling equipment for fuel cell electric vehicles, and (4) zero-emission buses (see § 1).

EFFECTIVE DATE: October 1, 2022, and applicable to assessment years starting on or after that date.

§§ 7 & 11 — CHEAPR PROGRAM AND GHG REDUCTION FEE

Makes numerous changes to the CHEAPR program, including making the CHEAPR board advisory-only, modifying the board's membership, giving priority to low-income individuals and residents of environmental justice communities, and extending eligibility to businesses, municipalities, nonprofits, and e-bikes; directs all of the GHG reduction fee to the CHEAPR program

The bill makes numerous changes to the CHEAPR program, some of which correspond to agency practice. Under current law, the CHEAPR board is responsible for the program's administration. The bill (1) requires DEEP to administer the program; (2) makes the CHEAPR board

advisory, responsible for advising the DEEP commissioner on priorities for allocating, distributing, and using CHEAPR funds; and (3) eliminates the program's sunset date (December 31, 2025), thereby making the program permanent.

The bill modifies the program parameters for the vehicle rebates and adds a component for electric bicycles (e-bikes). For both components, the bill allows the program to offer rebates or vouchers ("incentives").

The bill also increases program funding by transferring the entirety of the greenhouse gas reduction fee to the CHEAPR account to be used for the program. Current law transfers only the first \$3 million collected from the fee, with the remainder going to the General Fund. By law, the fee is (1) \$15 for the registration of a new vehicle and (2) generally \$7.50 for new registrations and registration renewals.

Advisory Board

The bill modifies the CHEAPR board's membership. First, it adds the Public Utilities Regulatory Authority chairperson, or her designee, as an ex-officio member. As under existing law, the other ex-officio members are the DEEP commissioner, the consumer protection commissioner, and the Green Bank president (or their designees).

The bill also (1) increases the number of appointed members from six to 10 by adding appointments for the Transportation Committee leaders and (2) specifies qualifications for some existing members, as shown in Table 1.

Appointing Authority	Qualification
House speaker*	Representative of an environmental organization knowledgeable in EV policy*
Senate president pro tempore*	Representative of an association representing EV manufacturers
House majority leader*	Representative of an organization representing an environmental justice community*
Senate majority leader*	Representative of an automotive retailers' association*

Table 1: CHEAPR Board Appointing Authorities and Qualifications

House minority leader*	Representative of an EV consumer association
Senate minority leader*	None specified*
Transportation Committee House chairperson	Representative of an organization promoting walking or bicycling
Transportation Committee Senate chairperson	None specified
Transportation Committee House ranking member	Owner or manager of bicycle sale or repair business
Transportation Committee Senate ranking member	None specified

^{*}Existing appointment/qualification

The bill allows the advisory board to establish rules governing its internal procedures.

Vehicle Incentive Component

Eligible Vehicles. Under the bill, the CHEAPR program provides incentives to state residents who purchase battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), or fuel cell electric vehicles (FCEVs). The bill makes hydrogen vehicles ineligible for incentives. This conforms to current program practice.

Additionally, the bill sets the maximum base manufacturer's suggested retail price (MSRP) for a vehicle to be eligible for an incentive at \$50,000, which applies from July 1, 2022, to June 30, 2027. Current law does not impose an MSRP cap, but under current program practice, the MSRP cap is \$42,000 for BEVs and PHEVs and \$60,000 for FCEVs.

Eligible Entities. Under current law, only individuals qualify for incentives through CHEAPR. The bill extends eligibility for incentives to in-state municipalities, businesses, nonprofits, and tribal entities. It limits these entities to 10 incentives per year, within available funds, and 20 incentives total. But it allows DEEP to issue additional incentives to eligible businesses or nonprofits that operate fleets exclusively in environmental justice communities (see BACKGROUND).

Incentive Amounts and Income Eligibility. The bill generally makes DEEP responsible for establishing and revising incentive

amounts, with the advisory board's advice, but requires the rebate for residents of environmental justice communities to be at least \$5,000. Under current law, the board establishes rebate amounts.

The bill requires the DEEP commissioner to prioritize granting incentives to residents (1) of environmental justice communities; (2) with household incomes at or below 300% of the federal poverty level; or (3) who participate in state and federal assistance programs such as the Supplemental Nutrition Assistance Program, Low Income Home Energy Assistance Program, Head Start, and Operation Fuel. Under current agency practice, participants in certain income-qualified programs are eligible for higher rebates.

E-Bike Incentive Component

The bill requires the DEEP commissioner to provide incentives through the CHEAPR program for state residents to purchase e-bikes. As with the vehicle component, the commissioner is generally responsible for determining incentive amounts, except that the incentive must be at least \$500. The bill also requires DEEP, in consultation with the advisory board, to determine the maximum income eligibility for e-bike incentives.

The e-bike component must be designed to maximize air quality benefits associated with e-bike use and prioritize granting incentives to residents (1) of environmental justice communities; (2) with household incomes at or below 300% of the federal poverty level; or (3) who participate in state and federal assistance programs such as the Supplemental Nutrition Assistance Program, Low Income Home Energy Assistance Program, Head Start, and Operation Fuel.

Under the bill, from July 1, 2022, to June 30, 2027, an e-bike must have a base MSRP of \$3,000 or less to be eligible for a program incentive.

Reporting

The bill requires DEEP, rather than the CHEAPR board, to annually evaluate the program. It also requires that DEEP report annually, starting by June 20, 2024, to the Transportation and Environment

committees on the program's status and effectiveness. The report must include information on program participation and the environmental benefits accruing to environmental justice communities and communities overburdened by air pollution.

Outreach and Marketing

Under the bill, DEEP must conduct outreach programs and implement a marketing campaign to promote CHEAPR.

EFFECTIVE DATE: Upon passage for the changes to the CHEAPR program.

§§ 8 & 20 — EV REGISTRATION FEE

Eliminates the reduced registration fee for electric vehicles

The bill eliminates the reduced registration fee for EVs (\$57 for a triennial period) and instead subjects them to the same registration fee that applies to other passenger motor vehicles (e.g., \$120 for triennial period).

§§ 9 & 10 — CLEAN AIR ACT (CAA) FEE

Requires CAA fee revenue to be placed in dedicated accounts within the General Fund and the Special Transportation Fund and used for clean air and clean transportation expenses

Current law requires that federal CAA fees (see BACKGROUND) collected on motor vehicle registrations be split between the General Fund (42.5%) and the Special Transportation Fund (STF) (57.5%) and does not dedicate these fees to any specific purpose.

The bill keeps the fee division, but instead directs the revenue to dedicated accounts, specifically the (1) federal clean air act (CCA) account in the General Fund and (2) reduce transportation-related greenhouse gases (GHG) account in the STF. The bill establishes these accounts as nonlapsing accounts within the respective funds and requires all money the law directs to the accounts to be deposited in them.

Under the bill, funds in the federal CAA account must be spent by

DEEP, in consultation with DOT, to implement federal CAA requirements, improve air quality, and reduce carbon emissions. Funds in the reduce transportation-related GHG account must be spent by the DOT commissioner on transportation-related expenditures to reduce transportation-related GHG.

§§ 12 & 13 — TRAFFIC SIGNAL GRANT PROGRAM

Requires DOT to establish a matching grant program to help municipalities modernize existing traffic signal equipment and authorizes \$75 million in bonds for that purpose

The bill requires DOT to establish a matching grant program to help municipalities modernize existing traffic signal equipment and operations to make them (1) capable of using transit signal priority, (2) responsive to congestion, and (3) reduce idling. It authorizes \$75 million in general obligation (GO) bonds for the program, which are subject to standard statutory bond issuance procedures and repayment requirements.

Under the bill, applications must be submitted annually to the DOT commissioner when, and in the way, he requires. The commissioner must (1) develop eligibility criteria for program participation, (2) determine the matching amount required, (3) give preference to applications submitted by two or more municipalities, and (4) establish incentives for regional projects.

EFFECTIVE DATE: The provision requiring DOT to establish the program is effective upon passage.

§§ 14 & 19 — MEDIUM AND HEAVY-DUTY TRUCK VOUCHERS

Allows DEEP to establish a voucher program to support the use of zero-emission mediumand heavy- duty vehicles and appropriates \$15 million to fund the program

Beginning January 1, 2023, the bill allows DEEP, within available funds, to establish a voucher program to support the use of zero-emission (1) vehicles within class 5 to class 13 of the Federal Highway Administration's (FHWA) vehicle category classification system (see BACKGROUND) and (2) school buses within class 3 to class 8 of the system. The DEEP commissioner must consult with the education, motor vehicles, and transportation commissioners in establishing the

program.

The bill also establishes a medium and heavy-duty vehicle voucher account as a separate, nonlapsing General Fund account. It appropriates \$15 million to the account in FY 23. The account must contain any money the law requires be deposited into it, and its funds must be used by DEEP for the voucher program.

Under the bill, eligible technology for vouchers includes battery electric and fuel cell systems and electric vehicle charging infrastructure. Vouchers may not be awarded for vehicle classes where there is no commercially available zero-emission technology. DEEP must set aside 40% of available funding to maximize air pollution reduction in environmental justice communities (see BACKGROUND).

EFFECTIVE DATE: The provision requiring DEEP to establish the program and creating the account is effective upon passage.

§§ 15-17 — ZERO-EMISSION SCHOOL BUSES

Allows for 10-year school transportation contracts if the contract includes at least one zero-emission bus, sets targets for converting school buses to zero-emission buses, and establishes a matching grant program for zero-emission school buses and charging infrastructure

School Bus Contracts

Under current law, local and regional boards of education may enter into contracts for student transportation for a maximum term of five years. The bill allows them to have contracts with up to ten-year terms if the contract includes transportation provided by at least one school bus that is a zero-emission bus. (A "zero-emission bus" is an urban bus certified by the California Air Resources Board's executive director as producing zero emissions of any criteria pollutant under all operational modes and conditions.)

Transition to Zero-Emission School Buses

The bill requires that all school buses be zero-emission buses by (1) January 1, 2030, in school districts in environmental justice communities (see BACKGROUND) and (2) January 1, 2035, in the remaining districts.

Grant Program

The bill requires DEEP to establish and administer a grant program to provide matching funds necessary for municipalities, school districts, and school bus operators to submit federal grant applications and maximize federal funding to buy or lease zero-emission buses and EV charging infrastructure. It authorizes \$20 million in GO bonds to fund the program, which are subject to standard statutory bond issuance procedures and repayment requirements.

Applications must be filed when and how the commissioner determines, and DEEP must determine the matching amount that applicants must provide. The bill requires DEEP to give preference to applications to purchase or lease zero-emission buses that will operate primarily in an environmental justice community.

Technical Assistance

The bill requires DEEP, within available appropriations, to provide administrative and technical assistance to municipalities, school districts, and school bus operators that apply for federal grants for zero-emission buses and EV charging infrastructure.

EFFECTIVE DATE: The provision on school bus contracts is effective October 1, 2022.

§ 18 — STATE CARBON BUDGET

Requires DOT, in consultation with DEEP, to annually establish a transportation carbon budget and adopt implementing regulations to ensure that transportation projects adhere to the budget

Starting by July 1, 2024, the bill requires DOT, in consultation with DEEP, to annually establish a transportation carbon budget for the state that sets the maximum amount of GHG emissions permitted from the transportation sector. When setting the budget, the agencies must consider the state's long-term emissions reductions required under existing law.

Under the bill, DOT must adopt regulations to ensure state, regional, and municipal transportation projects adhere to the carbon budget. The

regulations must include:

 a definition of "transportation project" that excludes projects necessary for maintenance or safety;

- 2. a methodology to calculate the GHG emissions expected from future projects;
- 3. ways to offset the emissions for projects estimated to increase net emissions by undertaking GHG mitigation transportation projects that will reduce emissions; and
- 4. a description of the GHG mitigation projects, such as public transportation improvement, bikeway, walkway, or other trail or path construction, and EV charging installation.

DOT must, in consultation with DEEP, implement a public outreach plan to sufficiently engage the public and stakeholders in developing the carbon budget and associated regulations. The DOT commissioner must submit the regulations to the Regulations Review Committee by July 1, 2024.

Starting by February 1, 2025, DOT must annually submit to the Transportation and Environment committees a (1) copy of the transportation carbon budget and (2) description of the public outreach conducted and its results.

EFFECTIVE DATE: October 1, 2022

BACKGROUND

School Building Project

By law, a "school building project" includes the following:

 construction, purchase, extension, replacement, renovation, or major alteration of a building to be used for public school purposes, including equipping and furnishing the construction,

purchase, extension, replacement, renovation or major alteration, the improvement of land, or the improvement of the site of an existing building for public school purposes;

- construction, including equipping and furnishing construction, of any building which the towns of Norwich, Winchester, and Woodstock may provide by lease or otherwise for use by the Norwich Free Academy, Gilbert School, and Woodstock Academy, respectively, to provide education for public school students; and
- 3. addition to, renovation of, and associated equipping and furnishing, of any building which may be leased, upon the approval of the education and DAS commissioners, to any local or regional board of education for a term of twenty years or more to provide education for public school students (CGS § 10-282).

Environmental Justice Communities

By law, an "environmental justice community" is (a) any U.S. census block group, as determined by the most recent census, for which at least 30% of the population consists of low-income people who are not institutionalized and have an income below 200% of the federal poverty level or (b) a distressed municipality (CGS § 22a-20a).

The Department of Economic and Community Development annually designates distressed municipalities, based on high unemployment and poverty, aging housing stock, and low or declining rates of job, population, and per capita income growth (CGS § 32-9p). The current (2021) distressed municipalities are Ansonia, Bridgeport, Chaplin, Derby, East Hartford, East Haven, Griswold, Groton, Hartford, Meriden, Montville, New Britain, New London, Norwich, Plainfield, Putnam, Sprague, Sterling, Stratford, Torrington, Voluntown, Waterbury, West Haven, Winchester, and Windham.

Towns with current designated census blocks (that are not also distressed municipalities) are Barkhamsted, Bethel, Bloomfield, Branford, Bristol, Brooklyn, Clinton, Colchester, Cromwell, Danbury,

East Hampton, East Lyme, Ellington, Enfield, Essex, Fairfield, Farmington, Greenwich, Haddam, Hamden, Killingly, Killingworth, Ledyard, Manchester, Mansfield, Marlborough, Middletown, Milford, Naugatuck, New Fairfield, New Haven, New Milford, North Canaan, North Stonington, Norwalk, Old Saybrook, Plainville, Portland, Preston, Ridgefield, Rocky Hill, Sharon, Shelton, Simsbury, Southbury, Southington, Stafford, Stamford, Stonington, Thomaston, Thompson, Vernon, Wallingford, Waterford, Watertown, West Hartford, Westbrook, Wethersfield, Willington, Windsor Locks, and Windsor.

CAA Fees on Motor Vehicle Registrations

State law requires the Department of Motor Vehicles to collect the CAA fee on new registrations and renewals and sets the fee at \$15 for a triennial registration period (proportionately reduced for other registration lengths). By law, the CAA fee does not apply to motor vehicles that are electrically powered, not self-propelled, or exempt from a registration fee (CGS § 14-49b(a)).

FHWA Vehicle Category Classification System

The FHWA vehicle category classification systems sorts vehicles into different classes based on their characteristics, as shown in the table below.

Class	Vehicles	Class	Vehicles
1	Motorcycles	8	Single trailer, 3- or 4-axle trucks
2	Passenger cars	9	Single trailer, 5-axle trucks
3	Pickups, panels, and vans	10	Single trailer, 6+ axle trucks
4	Buses	11	Multi-trailer, 5 or fewer axle trucks
5	Single unit, 2-axle trucks	12	Multi-trailer, 6-axle trucks
6	Single unit, 3-axle trucks	13	Multi-trailer, 7+ axle trucks
7	Single unit, 4+ axle trucks		

Related Bill

HB 5381 (File 299), favorably reported by the Transportation

Committee, contains identical provisions directing the General Fund portion of the CAA to a dedicated account to be used for clean air purposes.

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute Yea 23 Nay 11 (03/24/2022)